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LISTING STATEMENT No. 2231

LISTED MARCH 23, 1966

1,087,233 common shares of \$9 par value each,  
of which 309,183 shares are subject  
to issuance.  
Ticker abbreviation "CRX"  
Dial ticker number 1704  
Post section 10

## THE TORONTO STOCK EXCHANGE

### LISTING STATEMENT

## CORPORATION D'EXPANSION FINANCIERE

Incorporated under the laws of the Province of Quebec  
by Letters Patent dated October 12, 1957

### CAPITALIZATION AS AT OCTOBER 15, 1965

SHARE CAPITAL	AUTHORIZED	ISSUED AND OUTSTANDING	TO BE LISTED
7% Cumulative Redeemable Preferred Shares of \$10.00 par value .....	300,000	194,289	
Common Shares of \$9.00 par value .....	1,425,000	778,040	1,087,223+
Special Shares of \$9.00 par value .....	75,000	75,000	
+ of which 309,183 are subject to issuance.			
<b>FUNDED DEBT</b>			
<b>PARENT</b>			
6% Convertible Secured Debentures due April 1, 1975 .....	1,500,000	1,500,000	Nil
6½% Serial Secured Debentures due \$25,000 July 1, 1966 to 1976 .....	425,000	425,000	Nil
<b>SUBSIDIARIES</b>			
6½% General Mortgage Sinking Fund Bonds, Series "A" maturing March 15, 1977. Sinking fund pay- ments of \$90,000 annually from 1966 to 1970 and of \$250,000 annually thereafter are required ..	2,500,000	2,485,000	Nil
6½% and 7% First Mortgage Sinking Fund Bonds repayable in amounts of up to \$25,000 annually with the balance maturing March 1, 1975 .....	925,000	722,500	Nil
3½% to 7¼% Mortgage Bonds repayable in various amounts to 1983 including sinking fund payments of \$50,000 per annum to 1976 .....	1,626,500	1,086,689	Nil
Balance of purchase price of fixed assets partially secured by a First Mortgage Bond. Repayable in monthly instalments to December 1967 .....	2,466,828	2,466,828	Nil
6½% Note secured by 6½% First Mortgage Bond. Repayable in monthly instalments to January 1970 .....	5,325,000	4,729,781	Nil
Other long-term debt at rates of interest from 6% to 9% and maturing in various amounts each year to 1970 .....		573,557	Nil

# 1. APPLICATION

CORPORATION D'EXPANSION FINANCIERE (hereinafter referred to as "the Company") hereby makes application for the listing on The Toronto Stock Exchange of 1,087,223 Common Shares of \$9.00 par value, of which all, except 309,183, have been issued as fully paid and non-assessable. The 309,183 Common Shares have been reserved for issue as follows:

— upon conversion of outstanding 6% Convertible Secured Debentures .....	60,000
— upon exercise of an option granted March 13, 1964, at a price of \$16.00 per share, expiring March 1, 1970 .....	150,000
— upon the exercise of rights covered by warrants issued March 31, 1965, entitling holders to subscribe at a price of \$16.00 per share on or before March 1, 1970 ..	99,183
	<u>309,183</u>

# 2. HISTORY

The Company was incorporated under Part 1 of the Quebec Companies Act by letters patent dated October 12, 1957 as an investment, management and holding Company, and commenced operations in 1958.

# 3. NATURE OF BUSINESS

The Company is a holding company whose only assets, other than monies in bank and advances to subsidiary and other companies, are the controlling shares of the capital stock of its following subsidiary companies:

- The Canadian Provident
- The Canadian Provident General Insurance
- Sodimco Inc.
- Société d'Expansion Financière Ltée
- Findbel Inc. and its wholly-owned subsidiaries Findlays Limited and A. Bélanger Limitée.
- Simard-Beaudry Inc. and subsidiary, North Shore Builders Ltd.
- G.M. Plastic Corporation and subsidiaries
- Superseal Corporation and subsidiary

For details of the operations of the subsidiary companies see Item 9. These companies employ over 3,500 employees.

# 4. INCORPORATION AND CAPITAL CHANGES

The Company was incorporated under Part 1 of the Quebec Companies Act by Letters Patent dated October 12, 1957, with an authorized capital of \$3,600,000 divided into 75,000 Special Shares of \$9.00 par value, and 325,000 Common Shares of \$9.00 par value.

Supplementary Letters Patent have been issued on the following dates, effecting the changes hereafter mentioned:

(a) ON JUNE 29, 1962: increasing the authorized capital by creating 487,500 additional Common Shares of \$9.00 par value, and 1,000,000 5% non-cumulative redeemable preferred shares of \$1.00 par value.

(b) ON MARCH 31, 1964: confirming special by-law "C" of the Company, sanctioned by Mr. Justice Robert Lafleur of the Superior Court for the District of Montreal on March 26, 1964, such by-law being a compromise or arrangement between the Company and its special shareholders eliminating restrictions on transfers of such shares.

(c) ON MARCH 25, 1965: confirming special by-law "G" of the Company, sanctioned by Mr. Justice André Nadeau of the Superior Court for the District of Montreal on March 18, 1965. This by-law:—

- increased the authorized capital of the Company by the creation of 612,500 additional Common Shares of \$9.00 par value;
- converted the existing 1,000,000 5% non-cumulative redeemable preferred shares of \$1.00 par value into 100,000 7% Cumulative Redeemable Preferred Shares of \$10.00 par value; and
- increased the authorized capital by the creation of 200,000 additional 7% Cumulative Redeemable Preferred Shares of \$10.00 par value.



# 5. SHARE ISSUES SINCE THE INCORPORATION OF THE COMPANY

## (a) COMMON SHARES

Date of Issue	No. of Shares Issued	Amount Realized per share	Total Amount Realized	Purpose of Issue
Jan. 23, 1958	23	\$ 9.00	\$ 207.00	Incorporators' shares.
Feb. 21, 1958	1	9.00	9.00	Incorporators' shares.
March 20, 1958 to Sept. 15, 1958	49,976	11.50	574,724.00	Initial financing.
October 1961 to Jan. 31, 1962	10,000	11.50	115,000.00	Reimbursement of bank loans.
Feb. 14, 1962	10,000	11.50	115,000.00	To increase the working capital.
March 16, 1962	27,494	20.00	549,880.00	Reimbursement on bank loans.
Oct. 1, 1961 to March 31, 1963	13,220	11.50	152,030.00	Exercise of the rights of conversion on part of the rights 1963.
March 30, 1962 to July 31, 1963	817	16.00	13,232.00	Exercise of the rights of conversion of part of the rights 1970.
July 31, 1963	54,286	11.50	624,289.00	Sale of the unexercised rights of conversion of the rights 1963, to reimburse bank loans and increase the cash account.
March 31, 1964	176,000	11.50	2,024,000.00	To increase the working capital. Such subscription together with purchase of 50,290 Special Shares resulted in control of the Company passing to Mr. Aubert Brilliant.
March 31, 1965	250,000	22.00	5,500,000.00	In payment for 100% of the capital stock of Simard-Beaudry Inc.
March 31, 1965	8,183	10.50	85,921.50	To increase the working capital of the Company.
March 31, 1965 to June 30, 1965	178,040	10.50	1,869,420.00	Obtaining of additional capital. Issued pursuant to an offer to the Common and Special Shareholders to purchase at par one Preferred Share and one Common Share for each 3 Common or Special Shares held.
	778,040			

## (b) SPECIAL SHARES

Date of Issue	No. of Shares Issued	Amount Realized per share	Total Amount Realized	Purpose of Issue
May 31, 1958 to May 31, 1959	11,530	\$12.50	\$144,125.00	Initial financing.
Sept. 27, 1962	1,150	22.00	25,300.00	To increase the working capital.
Dec. 3, 1962	500	22.00	11,000.00	To increase the working capital.
July 1, 1959 to Aug. 31, 1963	11,530	12.50	144,125.00	Rights issued in 1963.
March 31, 1964	50,290	12.50	628,625.00	To increase the working capital. Such subscription together with purchase of 176,000 Common Shares resulted in control of the Company passing to Mr. Aubert Brilliant.



(c) PREFERRED SHARES

a. 5% NON-CUMULATIVE REDEEMABLE PREFERRED SHARES

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized per share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
a) July 3/62	19,204	\$1.00	\$ 19,204	Dividend payment
b) Sept. 30/62	19,223	1.00	19,223	" "
c) Dec. 31/62	19,407	1.00	19,407	" "
d) March 31/63	19,538	1.00	19,538	" "
e) June 30/63	19,885	1.00	19,885	" "
f) Sept. 30/63	28,425	1.00	28,425	" "
g) Dec. 30/63	28,422	1.00	28,422	" "
h) March 31/64	28,424	1.00	28,424	" "

b. 7% CUMULATIVE REDEEMABLE PREFERRED SHARES

Under Special By-law "G" confirmed by Supplementary Letters Patent dated March 25, 1965, the authorized 5% non-cumulative preferred shares of \$1.00 par value were converted into 100,000 7% Cumulative Redeemable Preferred Shares of \$10.00 par value, and 200,000 additional 7% Cumulative Redeemable Preferred Shares of \$10.00 par value were created.

March 25/65	18,040	\$10.00	\$180,400	Resulting from the conversion of the Preferred Shares of \$1.00 par value into Preferred Shares of \$10. par value.
March 31/65	16,565	10.00	165,650	Dividend payment.
March 20 to June 30/65	159,684	10.00	1,596,840	Obtaining of additional capital. Issued pursuant to an offer to the Common and Special Shareholders to purchase at par one Preferred Share for each 3 Common or Special Shares held.

6. STOCK PROVISIONS AND VOTING POWERS

1. Each Common Share carries one vote at all meetings of the shareholders.
2. The Special Shares of the Company have the same rights and privileges as the Common Shares, except that each Special Share carries five votes.
3. The 7% Cumulative Redeemable Preferred Shares carry and are subject to the following preferences, rights, restrictions and conditions.

(TRANSLATION) (1) The holders of the Preferred Shares shall be entitled to receive fixed, cumulative and preferential dividends out of the moneys of the Company at the time legally available for dividends, if and when declared by the Board of Directors, at the rate of 7% per share per annum and no more. Such dividends will be payable quarterly on the first days of March, June, September and December and shall accrue and be cumulative from the respective dates of issue of said Preferred Shares.

(2) In the event of liquidation or dissolution of the Company or of any other distribution of assets of the Company among its shareholders for the purpose of liquidating its business, the holders of the Preferred Shares shall be entitled to receive out of the assets of the Company (whether from capital or surplus or both) the principal amount paid on such shares plus all unpaid preferential dividends thereon, whether declared or not, and if such liquidation, dissolution or distribution of capital is voluntary, an additional sum of fifty cents (\$0.50) per share, but they shall not have the right to participate in any other distribution of the assets of the Company; the payment of such sums to the holders of the Preferred Shares shall be made prior to the payment of any amount to the holders of any shares of the Company ranking junior to the Preferred Shares or the distribution of any assets of the Company to such holders.

(3) The holders of the Preferred Shares shall not be entitled to receive notice of meetings of the shareholders of the Company nor to be present thereat and they shall have no right to vote at such meetings, unless the Company, from time to time, shall be in default with respect to the payment, on the dates at which such instalments are to be paid, of eight (8) quarterly instalments, consecutive or not, of dividends on the Preferred Shares, whether such dividends shall have been declared or not and whether or not funds of the Company shall be available for the payment of such dividends. Thereafter, until such time as all accrued and unpaid instalments of dividends shall be paid to the holders of the Preferred Shares, the latter shall be entitled to receive notice of all shareholders' meetings and to be present thereat and shall have one vote for each Preferred Share held by them.

(4) The Company may, from time to time, purchase the whole or any part of the Preferred Shares then outstanding, in the market or pursuant to tenders, at the lowest price at which, in the opinion of the Board of Directors of the Company, such shares are obtainable, such price not to exceed the total of the principal amount paid on such shares plus an amount equal to all accrued and unpaid preferential dividends thereon up to but not including the date of purchase, plus the costs of purchase, save that, with the consent of all the holders of the Preferred Shares outstanding, the Board of Direc-



tors of the Company may authorize the purchase thereof in any other manner. However, in the case of purchase of Preferred Shares pursuant to tenders, the Company shall give notice in the manner hereinafter set forth to all the holders of Preferred Shares of its intention to request tenders and in the event that two (2) or more tenders of Preferred Shares for the same price shall be received, which Preferred Shares added to the other Preferred Shares for which tenders shall have been given at a lower price or prices, aggregate an amount greater than the amount of Preferred Shares to be purchased at that time, the Company shall divide proportionately, among the shareholders making such tenders at the same price, the required number of Preferred Shares so as to complete the number of Preferred Shares to be purchased. From the date of the purchase of any Preferred Share pursuant to the provisions of this paragraph, the shares so purchased shall be deemed to have been redeemed, shall no longer be outstanding and shall not be re-issued.

(5) The Company, after having given notice as herein provided, may redeem at any time the whole, or, from time to time, any part of the then outstanding Preferred Shares upon payment of a redemption price for each share to be redeemed comprising (i) the principal amount paid on such share, plus (ii) a sum equal to all accrued and unpaid preferential dividends on such share up to but not including the date fixed for redemption, plus (iii) a premium of fifty cents (\$0.50). In the event that part only of the Preferred Shares then outstanding is to be redeemed, the shares to be so redeemed shall be selected pro rata, disregarding any fractions of shares, among the holders of the Preferred Shares then outstanding; provided however that this selection may be made, with the consent of all such holders, in any other manner receiving the approval of the Board of Directors.

(6) In any case of redemption of Preferred Shares under the provisions of paragraph (5) hereinabove, the Company shall mail, at least thirty (30) days before the date fixed for redemption, to each person who at the date of mailing, is a registered holder of Preferred Shares to be redeemed, a notice of the intention of the Company to redeem such Preferred Shares. Such notice shall be mailed postage prepaid addressed to each such shareholder at his address as it appears on the books of the Company, or, in the event of the address of any such shareholder not so appearing on the books of the Company, then to the last known address of such shareholder. Such notice shall set out the redemption price and the date fixed for redemption and the place or places where such redemption price is to be paid, and, if part only of the Preferred Shares held by the shareholder to whom said notice is addressed is to be redeemed, the number thereof so to be redeemed.

Notice having been given as aforesaid, from and after the date fixed in any such notice as the date of redemption (unless default shall be made by the Company in providing the moneys for the payment of the redemption price), all dividends on the Preferred Shares so called for redemption shall cease to accrue and all rights of the holders thereof as shareholders of the Company, except the right to receive the redemption price against surrender of the certificates for the shares so called for redemption, shall cease. The Company may however include in such notice a statement that the moneys required for the payment of the redemption price have been deposited or will be deposited on a specified date, not later than the date fixed for redemption, with the bankers of the Company, in trust for the benefit of the holders of the Preferred Shares so called for redemption and, notice having been given as aforesaid, from and after the date of such deposit, all rights of the holders of the Preferred Shares so called for redemption, as shareholders of the Company, shall cease and the holders of such Preferred Shares shall look for payment of the redemption price only to the funds so deposited and in no event to the Company unless the funds so deposited shall not be available on the date fixed for redemption. The holders of such Preferred Shares shall be entitled respectively and rateably to any interest which may be allowed by such bankers on the funds so deposited, from and after the date fixed for redemption. From and after the date fixed for redemption or the date of such deposit, as the case may be, the Preferred Shares so redeemed shall no longer be regarded as outstanding, and shall not be re-issued.

(7) So long as any Preferred Shares shall be outstanding, the Company, except with the approval of the holders of the Preferred Shares given in the manner hereinafter provided in paragraph (8) shall not:

- (a) proceed to its voluntary liquidation or dissolution; or
- (b) cancel, amend or modify in any other manner the provisions contained in paragraphs (1) to (6) above or the provisions of this paragraph (7) or the following paragraph (8).

(8) The approval of the holders of the Preferred Shares with respect to any matter to which reference is made herein, may be given by compromise or arrangement in virtue of the Quebec Companies Act or by an instrument signed by the holders of not less than three-fourths ( $\frac{3}{4}$ ) of the Preferred Shares then outstanding, or by a resolution adopted by at least three-fourths ( $\frac{3}{4}$ ) of the votes cast at a meeting of the holders of the Preferred Shares duly called and held upon at least ten (10) days prior notice and at which meeting the holders of at least one-fourth ( $\frac{1}{4}$ ) of the outstanding Preferred Shares shall be present or represented by proxy. If at any such meeting the holders of one-fourth ( $\frac{1}{4}$ ) of the outstanding Preferred Shares are not present or represented by proxy within one-half hour after the time appointed for the meeting, then the meeting shall stand adjourned to such date, not less than ten (10) days thereafter, and it shall be held at such time and place as may be designated by the chairman of the meeting and at least six (6) days prior notice shall be given of such adjourned meeting. It shall not be necessary to mention in such notice of the adjourned meeting the business for which the meeting had been originally called. At such adjourned meeting, the holders of the Preferred Shares present or represented by proxy may transact the business for which the meeting was originally convened and a resolution adopted or any other decision taken at such meeting by at least three-fourths ( $\frac{3}{4}$ ) of the votes cast thereat shall constitute the aforesaid approval of the holders of the Preferred Shares. A notice setting out the place, the date and time of each meeting of the holders of Preferred Shares shall be served on the shareholders or mailed postage prepaid addressed to the shareholders at their respective address as it appears on the books of the Company; it shall not be necessary that notice of the time, place and purpose of such meeting be given to the shareholders who are present in person or represented by proxy or to the shareholders who, by writing or telegram or cablegram filed in the records of the Company, either before or after the holding of the meeting, have waived such notice. The formalities to be observed with respect to the conduct of any such meeting shall be those at the



time prescribed by the by-laws of the Company in respect of shareholders' meetings. When any vote is given at any meeting or adjourned meeting, each holder of Preferred Shares shall be entitled to one (1) vote for each Preferred Share held. (TRANSLATION)

7.

#### DIVIDEND RECORD

The Company has paid the following dividends on its Common and Preferred Shares:

Date	Number of the Dividend	Amount per share	Paid in Preferred Shares or Cash
March 31/60	1	\$0.20	cash
September 30/60	2	0.20	cash
March 31/61	3	0.20	cash
June 30/61	4	0.10	cash
September 30/61	5	0.10	cash
December 31/61	6	0.10	cash
March 31/62	7	0.10	cash
July 3/62	8	0.15	\$1 Preferred Shares
September 30/62	9	0.15	\$1 Preferred Shares
December 31/62	10	0.15	\$1 Preferred Shares
March 31/63	11	0.15	\$1 Preferred Shares
June 30/63	12	0.15	\$1 Preferred Shares
September 30/63	13	0.15	\$1 Preferred Shares
December 31/63	14	0.15	\$1 Preferred Shares
March 31/64	15	0.15	\$1 Preferred Shares
March 31/1965	16	0.40	\$1 Preferred Shares

The Company has paid the following dividends on its Preferred Shares:

Date	Number of the Dividend	Amount Paid in Cash
December 31/62	P-1	\$0.05
December 31/63	P-2	\$0.05
December 31/64	P-3	\$0.05
June 1/65	P-4	5% for the period Jan. 1 to March 24/65; plus 7% for the period March 25 to May 31/65.
September 1/65	P-5	\$0.175 (7%)
December 1/65	P-6	\$0.175 (7%)
March 1/66	P-7	\$0.175 (7%)

8.

#### RECORD OF PROPERTIES

The Company is a holding company and actually owns no property.

9.

#### SUBSIDIARY COMPANIES

##### A) THE CANADIAN PROVIDENT (LES PREVOYANTS DU CANADA)

Les Prévoyants du Canada was incorporated by the Act 9 Edward VII Chapter 121 (1909).

The Canadian Provident is a life insurance company which, in addition to its own operations, administers The Canadian Provident/Pension Fund having assets of \$11,000,000.

The authorized capital stock of The Canadian Provident consists of 35,000 shares of the par value of \$10 each of which the Company owns 23,618 shares of 67.4%.

##### B) THE CANADIAN PROVIDENT GENERAL INSURANCE

The Canadian Provident General Insurance was incorporated under the Quebec Insurance Act by Letters Patent dated March 2, 1962.

The Canadian Provident General Insurance has the power to transact all kinds of insurance contracts except life insurance.

The authorized capital stock of The Canadian Provident General Insurance consists of 50,000 shares of the par value of \$100 each, of which 17,500 are outstanding. The Company also owns 11,904 or 67.7%, The Canadian Provident 2,000 or 11% and The Canadian Provident-Pension Fund 1,000 or 5.5%. The Company directly or indirectly controls 84.2% of the outstanding shares.

##### C) SIMARD-BEAUDRY INC.

Simard-Beaudry Inc. was incorporated under the laws of the Province of Quebec by Letters Patent dated August 31, 1964.

Simard-Beaudry Inc. and its wholly-owned subsidiary, North Shore Builders Ltd. operate in the Province of Quebec an integrated construction complex specially directed to the carrying-out of large public works and to the sale of products and raw materials used in general construction.

The authorized capital stock of Simard-Beaudry Inc. consists of 250,000 6% Cumulative Convertible Preferred Shares of the par value of \$10 each and 1,500,000 Common Shares of the par value of \$10 each. The Company owns all of the outstanding 580,000 common shares of the par value of \$10 each and directly 160,000 of the 6% Cumulative Convertible Preferred Shares of the par value of \$10 each and indirectly through The Canadian Provident General Insurance and The Canadian Provident/Pension



Fund 40,000 of the said Preferred Shares making a total of 100% of the outstanding Preferred Shares.

375,000 Common Shares of the par value of \$10 each are reserved for the exercise of outstanding share purchase warrants and the conversion rights of the 6% Cumulative Convertible Preferred Shares.

D) FINDBEL INC.

Findbel Inc. was incorporated under the laws of the Province of Quebec by Letters Patent dated March 29, 1965, to acquire all of the outstanding shares of Findlays, Limited and A Bélanger Limitée, both manufacturers of electrical appliances, whose plants are respectively located in Carleton Place, Ont., and Montmagny, P.Q.

The authorized capital stock of Findbel Inc. consists of 8,000 shares without par value of which 5,000 have been issued and are owned by the Company.

The authorized and issued capital stock of Findlays, Limited consists of 2,000 Common Shares, all of which are owned by Findbel Inc.

The authorized capital stock of A. Bélanger Limitée consists of 200,000 6% non-cumulative, redeemable preferred shares of \$1 each (of which 74,440 have been issued and redeemed), 25,000 Class "A" \$1.05 cumulative, participating, non-voting, preferred shares of \$1 each, 75,000 Class "B" shares of \$1 each, 14,000 Class "C" \$1.05 cumulative, participating, non-voting, preferred shares of \$1 each, of which 25,000 Class "A" shares, 75,000 Class "B" shares and 14,000 Class "C" shares are outstanding as fully paid. Findbel owns all of the 75,000 Class "B" shares namely, 100% of the outstanding voting shares of A Bélanger Limitée, Société d'Expansion Financière owns 1,274 of its Class "C" shares, and G.M. Plastic Corp. owns 800 of its Class "A" and 5,676 of its Class "C" shares.

E) G.M. PLASTIC CORPORATION

G.M. Plastic Corporation (formerly GRANBY MANUFACTURING CO. LTD.) incorporated under the laws of the Province of Quebec by Letters Patent dated April 8, 1947, is engaged directly or through its subsidiary companies in the manufacture and distribution of a wide range of plastic products, plastic sheets used in the fabrication of a variety of products, the production of components and of plastic foam. In 1965 it commenced production of all plastic skis marketed under the trade name of "Toni Sailer".

The authorized capital stock of G.M. Plastic Corporation consists of 10,000 Preferred Shares of the par value of \$12.50 each; 100,000 class "A" shares of the par value of \$1.00 each and 25,000 class "B" shares of the par value of \$1.00 each.

10,000 Preferred Shares are issued and in the hands of the public.

The Company owns all of the issued 25,000 class "B" shares of the par value of \$1.00 each and through its wholly-owned subsidiary, Société d'Expansion Financière Ltée, 54,125 class "A" shares and through its subsidiary, The Canadian Provident, 20,000 class "A" shares, being all of the outstanding class "A" shares.

The Company has four wholly-owned subsidiaries:

CORPLASTICS CANADA LTD., whose plant is located in Ajax, Ontario.  
INSULFOAM LIMITED.  
GEMLITE LTD.  
G.M.P. SPORTS LTD.

F) SUPERSEAL CORPORATION

Superseal Corporation was incorporated under the laws of the Province of Quebec by Letters Patent dated December 9, 1953.

Superseal Corporation is engaged in the assembling of insulated sealed glass panels.

The authorized capital stock of Superseal Corporation consists of 47,500 class "A" shares of the par value of \$1.00 each and 97,500 class "B" shares of the par value of \$1.00 each.

Of the 29,999 class "A" shares outstanding, 17,500 class "A" shares are owned by the Company's wholly-owned subsidiary, Société d'Expansion Financière Ltée.

Of the 32,501 outstanding class "B" shares, 32,500 are owned by the Company.

Superseal Corporation has a wholly-owned subsidiary, "La Cie de Fenêtres Supérieure Ltée - Superior Window Company Ltd".

G) SOCIÉTÉ D'EXPANSION FINANCIÈRE LTÉE

Société d'Expansion Financière Ltée was incorporated under the laws of the Province of Quebec by Letters Patent dated July 31, 1962.

Société d'Expansion Financière Ltée is engaged in management and supervisory activities for the Company.

The authorized capital stock of Société d'Expansion Financière Ltée consists of 1,550,000 5% Non-Cumulative Redeemable Preferred Shares of the par value of \$1.00 each and 25,000 Common Shares of the par value of \$1.00 each, of which all of the issued 1,041,250 Preferred Shares and 25,000 Common Shares are owned by the Company.

H) SODIMCO INC.

Sodimco Inc. was incorporated under the laws of the Province of Quebec by Letters Patent dated April 1, 1963.

Sodimco Inc. is engaged in the management of a building rented by other subsidiaries of the Company.

The authorized capital stock of Sodimco Inc. consists of 5,000 Common Shares of a par value of \$1.00 each, all of which are outstanding and owned by the Company.



## FUNDED DEBT

The Company's funded debt consists of:

(a) Description of Issue	Aggregate Amount Authorized	Principal Amount Outstanding	Maturity Date	Interest Dates
6½ % SERIAL SECURED DEBENTURES dated July 1, 1961	\$ 500,000	\$ 425,000	\$25,000 due July 1, 1966 to 1975 incl., \$150,000 on July 1, 1976.	January 1 and July 1.
6% CONVERTIBLE SECURED DEBENTURES dated April 1, 1962	\$1,500,000	\$1,500,000	April 1, 1975	April 1 and October 1.

(b) Redemption

1. THE 6½ % SERIAL SECURED DEBENTURES are redeemable by the Company at its option, in whole at any time or in part from time to time, in reverse order of maturity and by lot, on not less than 30 days' notice, at the following percentages of the principal amount thereof, plus accrued and unpaid interest to the date fixed for redemption.

104% if redeemed 15 years or less but more than 10 years before maturity;  
103% if redeemed 10 years or less but more than 7 years before maturity;  
102% if redeemed 7 years or less but more than 3 years before maturity;  
101% if redeemed 3 years or less before maturity.

2. THE 6% CONVERTIBLE SECURED DEBENTURES are redeemable by the Company, at its option, on not less than 90 days' notice, in whole at any time or in part from time to time, by lot, at prices equal to the following percentages of the principal amount thereof:

In case of redemption, up to and including  
thereafter, up to and including

March 31, 1966	- 104.5%
March 31, 1967	- 104 %
March 31, 1968	- 103.5%
March 31, 1969	- 103 %
March 31, 1970	- 102.5%
March 31, 1971	- 102 %
March 31, 1972	- 101.5%
March 31, 1973	- 101 %
March 31, 1974	- 100.5%
March 31, 1974	- 100 %

thereafter and prior to maturity  
plus in each case the interest accrued and unpaid at the date fixed for redemption.

(c) Security

1. THE 6% CONVERTIBLE SECURED DEBENTURES, in the opinion of counsel, are secured by the pledge and transfer to General Trust of Canada, as Trustee, of 17,501 shares of The Canadian Provident (see Item 9A) constituting 50.01% of its outstanding shares.
2. THE 6½ % SERIAL SECURED DEBENTURES, in the opinion of counsel, are secured by the pledge and transfer to General Trust of Canada, as Trustee, of 75,000 class "B" shares in the capital of A. Bélanger Limitée (see Item 9D) being all of its voting shares.

NOTE: See Page 1 under "Funded Debt" for information regarding the funded debt of the Company's subsidiaries.



11. OPTIONS, UNDERWRITINGS, ETC.

- (a) Pursuant to a resolution of its Board of Directors adopted on March 13, 1964, the Company granted to Mr. Aubert Brilliant an option expiring March 1, 1970 to purchase the whole or any part of 150,000 Common Shares of \$9 par value at \$16 per share.
- (b) There are no underwriting agreements outstanding.
- (d) There are no issued shares of the Company held for its benefit.

RESERVED SHARES

- (a) 60,000 Common Shares are reserved to satisfy the right of conversion of the 6% Convertible Secured Debentures, of which each \$500 principal amount, unless previously redeemed, is convertible, at the option of the holder, at any time on or before March 31, 1975, into 20 fully paid and non-assessable Common Shares of \$9 per value without adjustment for interest accrued on such Debentures, but the shares issued upon conversion of the Debentures, if conversion takes place before the record date for the payment of any dividend, will be entitled to such dividend, subject to the following conditions:
  - with an additional payment of \$100 (\$5 per share), if conversion takes place on or before March 31, 1968;
  - with an additional payment of \$200 (\$10 per share), if conversion takes place after March 31, 1968 but on or before March 31, 1973;
  - with an additional payment of \$300 (\$15 per share), if conversion takes place after March 31, 1973 but on or before March 31, 1975.

The Trust Deed contains provisions for the adjustment of the rates of conversion in the event, inter alia, of a subdivision, consolidation or other reclassification of the Common Shares of the Company.

- (b) 99,183 Common Shares are reserved to satisfy the rights of the holders of the Warrants issued in February, 1962, conferring the right to subscribe to one such share at \$16 per share on or before March 1, 1970. These Warrants are transferable.

12. LISTING ON OTHER STOCK EXCHANGES

The Common Shares were admitted to the list of the Montreal Stock Exchange on February 24, 1966.

13. STATUS UNDER SECURITIES ACTS

Under a Prospectus dated June 20, 1961 filed with the Quebec Securities Commission the 6½% Serial Secured Debentures were offered to the public in the Province through a registered broker.

Under a Prospectus dated March 16, 1962 filed with the Quebec Securities Commission the 6% Convertible Secured Debentures were offered by an underwriter to the public in the Province.

14. FISCAL YEAR

The fiscal year of the Company ends on March 31 in each year.

15. ANNUAL MEETINGS

The by-laws of the Company provide that the annual meeting of the Company shall be held at the head office of the Company or at such other place in Quebec, on such date within four months following the end of the fiscal year as the Board of Directors may determine. The last annual meeting of the Company was held in Montreal, P.Q., on May 27, 1965.

16. HEAD OFFICE

The Company has one office, namely its head office located at 630 Dorchester Boulevard West, Montreal 2, Que., Canada.

17. TRANSFER AGENTS

The Transfer Agents of the Company are:

- (a) FOR THE COMMON SHARES:
  - 1. In Montreal — Trust Général du Canada, 84 Notre-Dame St. West, Montreal 1, P.Q.
  - 2. In Toronto — Montreal Trust Company, 15 King St. West, Toronto 1, Ont.
- (b) FOR THE SPECIAL AND PREFERRED SHARES:
  - In Montreal — Société d'Administration et de Fiducie, 10 St. James St. West, Montreal 1, P.Q.

18. TRANSFER FEE

No fee is charged on stock transfers other than the customary Government stock transfer taxes.

19. REGISTRARS

The Registrars of the Company are:

- a) FOR THE COMMON SHARES:
  - 1. In Montreal — Trust Général du Canada, 84 Notre-Dame St. West, Montreal 1, P.Q.



2. In Toronto — Montreal Trust Company, 15 King St. West, Toronto 1, Ont.

b) FOR THE SPECIAL AND PREFERRED SHARES:

In Montreal — Société d'Administration et de Fiducie, 10 St. James St. West, Montreal 1, P.Q.

20.

AUDITORS

The Auditors of the Company are:

McDonald, Currie & Co., Chartered Accountants, 630 Dorchester Blvd. W., Montreal, P.Q.  
Raymond, Chabot, Martin, Paré & Co., Chartered Accountants, Place Victoria, Montreal, P.Q.

21.

OFFICERS AND DIRECTORS

The Officers of the Company are:

NAME	OFFICE	OCCUPATION FOR THE PAST FIVE YEARS	ADDRESS
Aubert Brillant	President	Executive	Notre-Dame-du-Sacré-Coeur, Rimouski, P.Q.
Jaques Melançon	Vice-President	Executive	1057 Mont-Royal Blvd., Outremont, P.Q.
Guillaume Geoffrion, Q.C.	Secretary	Stock Broker Advocate	3466 Aylmer Street, Montreal, P.Q.
Jean-Charles Guité, C.A.	Treasurer	Chartered Accountant Treasurer	310 Bleignier St., Town of St. Laurent, P.Q.
Michel Latraverse	Assistant-Secretary	Notary Secretary	3837 Lacombe Street, Montreal, P.Q.
Emilien Morissette	Assistant Treasurer	Executive Member of Parliament	7461 Kingsley Road, Cote St. Luc, P.Q.

The Directors of the Company are:

NAME	OCCUPATION FOR THE PAST FIVE YEARS	ADDRESS
Paul Beaudry	Industrialist	10415 Papineau Avenue, Montreal, P.Q.
Marc Masson Bienvenu	Financier	10 Allan Pointe, Dorval, P.Q.
• Aubert Brillant	Executive	Notre-Dame-du-Sacré-Coeur, Rimouski, P.Q.
• Léonard Fournier	Executive	176A de l'Evêché Street, Rimouski, Que.
Guillaume Geoffrion, Q.C.	Stock Broker Advocate	3466 Aylmer Street, Montreal, Que.
Bernd Koken	Executive	9 Long Avenue, Granby, Que.
Aimé Laurion	Executive	67 Dufferin Street, Granby, Que.
• Jacques Melançon	Consultant in Financial Organization	1057 Mont-Royal Blvd., Outremont, Que.
Fridolin Simard	Industrialist	2 Surrey Gardens, Westmount, Que.
Thomas-Louis Simard	Industrialist	1270 Rockland Avenue, Town of Mount Royal, Que.
Charles Edouard St-Germain	Industrialist	2735 Morin Avenue, St-Hyacinthe, Que.
• Member of the executive committee.		



CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, Corporation d'Expansion Financière hereby applies for listing of the above-mentioned securities on The Toronto Stock Exchange and the undersigned officers hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.



CORPORATION D'EXPANSION FINANCIERE

“AUBERT BRILLANT”, President.

“GUILLAUME GEOFFRION”, Secretary.

STATEMENT SHOWING NUMBER OF SHAREHOLDERS

DISTRIBUTION OF COMMON STOCK AS OF OCTOBER 15th, 1965

Number								Shares	
288	Holders of	1	—	99	share lots	.....	8,577		
117	”	”	100	—	199	”	”	.....	12,473
58	”	”	200	—	299	”	”	.....	12,654
11	”	”	300	—	399	”	”	.....	3,408
12	”	”	400	—	499	”	”	.....	5,001
34	”	”	500	—	999	”	”	.....	19,395
32	”	”	1000	—	up	”	”	.....	716,532
552	Shareholders					Total Shares		778,040	



# FINANCIAL STATEMENTS

CORPORATION D'EXPANSION FINANCIERE  
AND CONSOLIDATED SUBSIDIARY COMPANIES (note 1)

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 1965

## ASSETS

### CURRENT ASSETS

Cash .....	\$ 322,674	
Marketable securities — at cost .....	127,650	
Accounts receivable .....	11,997,502	
Inventories (note 2) .....	5,703,336	
Prepaid expenses .....	201,678	\$18,352,840

### INVESTMENT IN SUBSIDIARY INSURANCE COMPANIES NOT CONSOLIDATED (note 1)

Shares — at cost .....		4,023,485
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### ADVANCES TO OTHER COMPANIES .....

982,999

### FIXED ASSETS (note 3)

Land, buildings and equipment .....	23,222,400	
Accumulated depreciation .....	4,249,439	18,972,961

### DEFERRED CHARGES

Unamortized bond discount and finance charges .....	670,212	
Research, development, patents, trademarks and goodwill — at cost less amortization .....	633,355	1,303,567

### EXCESS OF COST OF INVESTMENTS IN SHARES OF CONSOLIDATED SUBSIDIARY COMPANIES OVER BOOK VALUE OF THE NET ASSETS .....

1,085,878  
\$44,721,730

## LIABILITIES

### CURRENT LIABILITIES

Bank loans (note 4) .....	\$ 5,884,139	
Accounts payable and accrued liabilities .....	7,481,659	
Income and other taxes (note 5) .....	432,665	
Current portion of long-term debt .....	2,041,078	\$15,839,541

### LONG-TERM DEBT (note 6)

Debentures .....	1,925,000	
Bonds and other debts .....	10,023,277	11,948,277

### MINORITY INTEREST IN NET ASSETS OF SUBSIDIARY COMPANIES (including \$525,000 applicable to preferred shares) .....

1,013,422  
\$28,801,240

## SHAREHOLDERS' EQUITY (note 7)

### CAPITAL STOCK

#### Authorized —

300,000 7% cumulative non-voting preferred shares  
of the par value of \$10 each, redeemable  
at \$10.50

1,500,000 shares of \$9 each, into 1,425,000 common  
shares entitled to one vote each and  
75,000 special shares entitled to five votes  
each

#### Issued and fully paid —

194,289 preferred shares .....	\$ 1,942,890	
amount attributable to fractional shares .....	2,127	

1,945,017

778,040 common shares .....	7,002,360	
-----------------------------	-----------	--

75,000 special shares .....	675,000	
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9,622,377

### CONTRIBUTED SURPLUS — arising from excess of proceeds of sale over par values of capital stock .....

4,491,853

### RETAINED EARNINGS .....

1,806,260

15,920,490  
\$44,721,730

Signed on behalf of the Board:

“AUBERT BRILLANT”, Director.

“JACQUES MELANCON”, Director.



CORPORATION D'EXPANSION FINANCIERE  
AND CONSOLIDATED SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 1965

GROSS REVENUE .....		\$44,354,062
EARNINGS BEFORE DEDUCTING THE FOLLOWING EXPENSES: .....		5,461,654
Executive directors remuneration .....	\$ 491,028	
Depreciation of fixed assets (note 3) .....	1,763,750	
Interest on long-term debt .....	1,159,579	3,414,357
		2,047,297
PROVISION FOR INCOME TAXES (note 5) .....		158,426
NET EARNINGS FOR THE YEAR .....		\$ 1,888,871

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 1965

BALANCE — BEGINNING OF YEAR .....		\$ 410,437
Net earnings for the year .....		1,888,871
		2,299,308
Income and other taxes in respect of a subsidiary's predecessor companies .....	\$ 400,000	
Dividends on preferred shares .....	93,048	493,048
BALANCE — END OF YEAR .....		\$ 1,806,260

February 21, 1966

AUDITORS' REPORT TO THE DIRECTORS

We have examined the consolidated balance sheet of Corporation d'Expansion Financière and consolidated subsidiary companies as at December 31, 1965 and the consolidated statements of earnings and retained earnings for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and consolidated statements of earnings and retained earnings, when read in conjunction with the notes thereto, present fairly the consolidated state of affairs of the companies as at December 31, 1965 and the consolidated results of their operations for the year ended on that date in accordance with generally accepted accounting principles (except that depreciation has not been fully provided in certain of the subsidiary companies as set out in note 3 to the financial statements) applied on a basis consistent with that of the preceding year.

RAYMOND, CHABOT, MARTIN, PARÉ ET CIE.  
Chartered Accountants.

McDONALD, CURRIE & CO.  
Chartered Accountants.

CORPORATION D'EXPANSION FINANCIERE  
AND CONSOLIDATED SUBSIDIARY COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1965

1. PRINCIPLES OF CONSOLIDATION

- a) The consolidated financial statements include the accounts of all subsidiary companies with the exception of The Canadian Provident (Les Prévoyants du Canada) and its subsidiary, and The Canadian Provident - General Insurance (Les Prévoyants du Canada - Assurance Générale). The accounts of the insurance companies have been excluded because their operations are not comparable to those of the industrial companies.
- b) The company owns 68% of the shares of both The Canadian Provident and The Canadian Provident - General Insurance. As at December 31, 1965 the total combined capital and surplus amounted to \$3,791,277.

2. INVENTORIES

These are classified as follows:

Finished goods and work in process - at the lower of cost or net realizable value .....	\$2,705,316
Raw materials and supplies - at the lower of cost or replacement cost .....	<u>2,998,020</u>
	<u>\$5,703,336</u>

3. FIXED ASSETS

- a) These are classified as follows:

	Cost or appraised Value	Accumulated depreciation	Net
Land	\$ 1,147,673	\$ —	\$ 1,147,673
Buildings	3,945,364	518,540	3,426,824
Machinery and equipment	<u>18,129,363</u>	<u>3,730,899</u>	<u>14,398,464</u>
	<u>\$23,222,400</u>	<u>\$4,249,439</u>	<u>\$18,972,961</u>

- b) Fixed assets of three of the companies are at appraised depreciated replacement values which in the aggregate are \$4,939,139 in excess of depreciated cost. The appraisal increase was reflected in the costs of the subsidiary companies at the respective dates of acquisition.
- c) In 1964 and 1965 two of the subsidiary companies did not provide depreciation at the rates used in previous years. Had depreciation been provided at these rates, the provision for each of the two years would have been increased by approximately \$400,000.

4. BANK LOANS

Accounts receivable, inventories and shares in certain subsidiaries have been pledged as security for the various bank loans.

5. INCOME TAXES

Income taxes otherwise payable by a subsidiary company in respect of the year amounting to \$1,100,000 have been eliminated by claiming depreciation for tax purposes in excess of that recorded in these accounts and by excluding holdbacks receivable from taxable income. The accumulated tax reductions of that subsidiary at December 31, 1965 amounted to \$1,725,000.

6. LONG-TERM DEBT

This consists of the following:

	Current portion	Total
a) Debentures		
6% convertible secured debentures maturing April 1, 1975, secured by 17,501 shares of a subsidiary, The Canadian Provident .....	\$ —	\$ 1,500,000
6½% serial debentures, repayable in varying amounts to July 1, 1976, guaranteed by the specific assignment of all the controlled shares of a subsidiary company ....	—	<u>425,000</u>
		<u>\$ 1,925,000</u>



CORPORATION D'EXPANSION FINANCIERE  
AND CONSOLIDATED SUBSIDIARY COMPANIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1965

6. LONG-TERM DEBT cont'd

	Current portion	Total
b) Bonds and other debts		
6½ % general mortgage sinking fund bonds Series "A" maturing March 15, 1977. Sinking fund payments of \$90,000 annually from 1966 to 1969 and of \$250,000 annually thereafter are required .....	75,000	2,485,000
6½ % and 7% first mortgage sinking fund bonds repayable in amounts of up to \$25,000 annually with the balance maturing March 1, 1975 .....	24,000	722,500
3½ % to 7¼ % mortgage bonds repayable in various amounts to 1983 including sinking fund payments of \$50,000 per annum to 1976 .....	125,906	1,086,689
Balance of purchase price of fixed assets partially secured by a first mortgage bond. Repayable in monthly instalments to December 1967 .....	1,154,816	2,466,828
6½ % note secured by first mortgage bond. Repayable in monthly instalments to January 1970 .....	587,148	4,729,781
Other long-term debt at rates of interest from 6% to 9% and maturing in various amounts each year to 1970 ....	74,208	573,557
	<u>\$2,041,078</u>	<u>12,064,355</u>
Current portion .....		2,041,078
		<u>\$10,023,277</u>

7. SHAREHOLDERS' EQUITY

- a) 12,991 common shares and 9,684 7% preferred shares were issued during the year for cash. The excess of proceeds over par value amounting to \$17,486 was credited to contributed surplus.
- b) 305,183 common shares have been reserved for the following purposes:
  - 1) 95,183 shares for the exercise of rights at a price of \$16 until March 1, 1970.
  - 2) 60,000 shares for the conversion privilege of the 6% secured debentures. The holders of these debentures have the right to convert each \$500 principal amount of debentures into 20 common shares of \$9 each for varying periods terminating in 1975 with an additional payment ranging from \$100 to \$300.
  - 3) 150,000 shares for the exercise of an option granted on March 13, 1964 to subscribe at a price of \$16 each on or before March 1, 1970.

Certain of the subsidiary companies have reserved common shares for the exercise of share purchase warrants or the conversion of preferred shares.

- c) The 6% convertible debenture trust deed and certain mortgage bond indentures restrict the declaration and payment of dividends. At December 31, 1965 the company had fulfilled the requirements of these deeds.

8. CONTINGENT LIABILITY

The company has guaranteed another company's loan in the amount of \$500,000.

THE CANADIAN PROVIDENT  
Quebec, Que.  
BALANCE SHEET AS AT DECEMBER 31, 1965

ASSETS

		1964 for comparison
Bonds:		
Canada and provinces .....	\$ 1,126,177	\$ 757,888
Municipal corporations and school boards .....	1,552,450	1,510,589
Fabriques and religious institutions .....	221,034	243,881
Public utilities and industries .....	2,024,548	1,111,593
	<u>\$ 4,924,209</u>	<u>\$ 3,623,951</u>
Preferred and common shares .....	1,824,743	747,555
Shares in a subsidiary company .....	284,260	—
Mortgage loans .....	14,191,629	14,098,719
Policy loans .....	1,076,834	1,005,702
Head office building .....	1,018,896	1,018,896
Other buildings .....	—	8,408
Cash .....	183,390	302,414
Accrued interest on investments .....	138,375	110,523
Premiums receivable .....	347,957	340,640
Other assets .....	—	122,085
	<u>\$23,990,293</u>	<u>\$21,378,893</u>

LIABILITIES

		1964 for comparison
Actuarial reserve .....	\$19,490,861	\$17,252,919
This amount, with future interest and premiums, shall provide for the payment of future liabilities of the company towards its policyholders.		
Provision for outstanding or not reported claims .....	760,239	692,690
Amounts left on deposit by policyholders or their beneficiaries .....	516,527	429,121
Premiums paid in advance .....	59,446	60,236
Provision for dividends to policyholders .....	271,984	239,191
Employees' pension fund .....	920,144	957,472
Provision for taxes .....	47,325	48,648
Other liabilities .....	460,568	293,470
	<u>\$22,527,094</u>	<u>\$19,973,747</u>
Capital stock, issued and paid .....	350,000	350,000
Shareholders' account .....	39,472	38,996
Contingency reserve .....	175,000	175,000
Asset fluctuation reserve .....	175,000	175,000
Unappropriated surplus .....	723,727	666,150
	<u>\$23,990,293</u>	<u>\$21,378,893</u>

On behalf of the Board:

“AUBERT BRILLANT”, Director.

“JACQUES MELANÇON”, Director.



THE CANADIAN PROVIDENT  
STATEMENT OF SHAREHOLDERS' ACCOUNT  
for the year ended December 31, 1965

Balance - December 31, 1964 .....		\$ 38,996
Add:		
Appropriation from operations .....		81,000
		<u>\$ 119,996</u>
Deduct:		
Income taxes .....	\$ 42,024	
Dividends .....	<u>38,500</u>	<u>80,524</u>
Balance - December 31, 1965 .....		<u>\$ 39,472</u>

STATEMENT OF OPERATIONS  
for the year ended December 31, 1965

REVENUE:		
Premiums .....	\$6,777,890	
Interest and dividends .....	1,290,012	
Profit on disposal of investments .....	<u>12,678</u>	<u>\$8,080,580</u>
EXPENSES AND APPROPRIATIONS:		
Indemnity payments .....	\$2,938,398	
Appropriation to the actuarial reserve .....	2,237,942	
Head office expenses .....	1,226,766	
Agency expenses .....	1,235,683	
Reduction in the book value of assets .....	<u>67,114</u>	<u>7,705,903</u>
Excess of revenue over expenses .....		<u>\$ 374,677</u>
Appropriation of such excess:		
Dividends to participating policyholders .....		\$ 236,100
Shareholders' account .....		81,000
Unappropriated surplus .....		<u>57,577</u>
		<u>\$ 374,677</u>

AUDITORS' REPORT

We have examined the balance sheet of The Canadian Provident as at December 31, 1965 and the statements of operations and shareholders' account for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary.

The actuarial reserve has been certified by the actuary of the company. The book value of the investments is in accordance with the basis authorized by the Superintendent of Insurance of the Province of Quebec.

In our opinion, and according to the information and explanations given to us and as shown by the books of the company, the balance sheet and statements of operations and shareholders' account present fairly the financial position of The Canadian Provident at December 31, 1965 and the results of its operations for the year ended on that date in accordance with generally accepted accounting principles and practices appropriate to the insurance laws of the Province of Quebec, applied on a basis consistent with the preceding year.

McDONALD, CURRIE & CO.  
Chartered Accountants.

SAMSON, BELAIR, CÔTÉ, LACROIX  
ET ASSOCIÉS  
Chartered Accountants.

Quebec, January 27, 1966.

# THE CANADIAN PROVIDENT - GENERAL INSURANCE

BALANCE SHEET AS AT DECEMBER 1, 1965

## ASSETS

	1965	1964
Bonds, at amortized cost .....	\$ 6,557,961	\$ 6,563,716
Shares, at market .....	863,786	350,514
Mortgage loans .....	221,653	160,206
Real estate - at cost less accumulated depreciation .....	369,774	405,929
Accrued interest and dividends .....	97,335	90,244
Cash .....	240,518	225,264
Premiums receivable and agents' balances .....	2,776,584	2,942,641
Other assets .....	58,557	12,637
	<u>\$11,186,168</u>	<u>\$10,751,151</u>

## LIABILITIES

	1965	1964
Reserve for unearned premiums .....	\$ 2,880,746	\$ 2,553,441
Reserve for outstanding claims .....	4,941,453	5,029,795
Deposits of reinsuring companies .....	459,700	1,059,492
Commissions and accounts payable .....	576,191	397,043
	<u>8,858,090</u>	<u>9,039,771</u>

## SHAREHOLDERS' EQUITY

Capital stock —		
Authorized —		
50,000 shares with a par value of \$100 each.		
Issued and fully paid —		
17,500 shares .....	1,750,000	1,729,930
Surplus (deficit) .....	578,078	(18,550)
	<u>\$11,186,168</u>	<u>\$10,751,151</u>

On behalf of the Board:

"AUBERT BRILLANT", Director.

"JACQUES MELANÇON", Director.

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of The Canadian Provident - General Insurance as at December 31, 1965 and the statements of income and expenditure and surplus for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting methods and such tests of accounting records and other supporting evidence as we considered necessary.

In our opinion, and according to the information and explanations given us and as shown by the books of the company, the accompanying balance sheet and statements of income and expenditure and surplus present fairly the financial position of The Canadian Provident - General Insurance at December 31, 1965 and the results of its operations for the year ended on that date in accordance with accounting principles and practices appropriate to the insurance laws of the Province of Quebec, applied on a basis consistent with that of the preceding year.

McDONALD, CURRIE & CO.

Chartered Accountants.

SAMSON, BELAIR, CÔTÉ, LACROIX  
ET ASSOCIÉS

Chartered Accountants.

Montreal, February 4, 1966.



THE CANADIAN PROVIDENT - GENERAL INSURANCE

STATEMENT OF SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 1965

	1965	1964
BALANCE (DEFICIT) — BEGINNING OF YEAR .....	\$ (18,550)	\$ (243,204)
Excess of income over expenditure for the year .....	648,942	165,724
Profit on sale of assets .....	—	36,175
Decrease (increase) in the provision for agents' balances overdue ..	15,647	(60,832)
Contributed surplus .....	1,780	263,220
	<u>647,819</u>	<u>161,083</u>
Increase (decrease) in the provision for investment fluctuation .....	47,302	(17,083)
Increase in the provision for overdue premiums .....	22,439	39,216
Excess of assets over liabilities assumed at August 31, 1964 from U.C.C. Mutual Insurance Company .....	—	(139,201)
Excess of income over expenditure of U.C.C. Mutual Insurance Company from January 1 to August 31, 1964 .....	—	296,701
	<u>69,741</u>	<u>179,633</u>
BALANCE - END OF YEAR .....	<u>\$ 578,078</u>	<u>\$ (18,550)</u>

STATEMENT OF INCOME AND EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 1965

	1965	1964
NET PREMIUMS EARNED .....	<u>\$5,721,349</u>	<u>\$8,174,210</u>
EXPENDITURE		
Net claims incurred .....	3,800,704	5,980,794
Commissions .....	(341,766)	293,045
Adjustment expenses .....	127,404	202,035
Taxes .....	275,220	246,461
Salaries, fees and travelling expenses .....	1,063,087	1,110,104
Other administrative expenses .....	602,369	570,807
	<u>5,527,018</u>	<u>8,403,246</u>
UNDERWRITING PROFIT (LOSS) .....	194,331	(229,036)
Investment income .....	399,433	353,234
Other income .....	55,178	41,526
EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR	<u>\$ 648,942</u>	<u>\$ 165,724</u>

NOTE: There is no liability for income taxes on the above income due to the offsetting of losses incurred in prior years.

There still remains losses of approximately \$500,000 to be applied against future taxable income.

